

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN EXAMINATION BY THE PUBLIC	)	
SERVICE COMMISSION OF THE	)	
APPLICATION OF THE FUEL ADJUST-	)	
MENT CLAUSE OF SALT RIVER	)	CASE NO. 8612
RURAL ELECTRIC COOPERATIVE	)	
CORPORATION FROM NOVEMBER 1,	)	
1980, TO OCTOBER 31, 1982	)	

O R D E R

Pursuant to 807 KAR 5:056, Sections 1(11) and (12), the Public Service Commission ("Commission") issued its Order on October 1, 1982, scheduling a hearing to review the operation of the fuel adjustment clause of Salt River Rural Electric Cooperative Corporation ("Salt River") for the past 2 years and to determine the amount of fuel cost that should be transferred (rolled in) to the base rates in order to reestablish the fuel adjustment charge.

Salt River filed all requested information, including its monthly fuel charges for the 2-year period under review. Following proper notice, a hearing was held on January 25, 1983.

The Commission approved a transfer (roll-in) of 3.11 mills per KWH to the base rates of Salt River's wholesale supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 8588. Approval of East Kentucky's proposal requires that Salt

River also be authorized to roll in those same fuel costs to its base rates.

The Commission has reviewed the monthly fuel adjustment clause filing made by Salt River in conjunction with the schedule of over- or under-recovered fuel costs filed in this proceeding. This review indicates that the Commission should revise the monthly fuel adjustment clause filing form to minimize errors.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Salt River has complied in all material respects with the provisions of 807 KAR 5:056.

2. Salt River's wholesale supplier has been authorized to transfer (roll in) to its base rates fuel costs of 3.11 mills per KWH in Case No. 8588.

3. Salt River should be authorized to increase the rates charged its customers by 3.29 mills per KWH in order to transfer fuel costs rolled in by East Kentucky from the fuel adjustment clause to the base rates pursuant to the Commission's Order in Case No. 8588 and applicable line loss, and this can best be accomplished by an energy adder to each KWH sold.

4. The revised rates and charges in Appendix A are designed to reflect the transfer of fuel costs from the fuel adjustment clause rate to the base rates.

5. The monthly fuel adjustment clause filing form currently being filed by Salt River should be revised.

IT IS THEREFORE ORDERED that the charges collected by Salt River through the fuel adjustment clause for the period November

1, 1980, through October 31, 1982, be and they hereby are approved.

IT IS FURTHER ORDERED that Salt River be and it hereby is authorized to transfer to its base rates fuel costs transferred by its wholesale supplier pursuant to Case No. 8588.

IT IS FURTHER ORDERED that the rates in Appendix A be and they hereby are approved for service rendered by Salt River on and after June 1, 1983, which is also the effective date for East Kentucky's rates.

IT IS FURTHER ORDERED that within 30 days from the date of this Order Salt River shall file with the Commission its revised tariff sheets setting out the rates approved herein.

IT IS FURTHER ORDERED that the revised monthly fuel clause form in Appendix B shall be used by Salt River for all filings made after the date of this Order pursuant to 807 KAR 5:056 to recover or refund fuel charges or credits billed or refunded by its wholesale supplier.

Done at Frankfort, Kentucky, this 3rd day of June, 1983.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 8612 DATED JUNE 3, 1983.

The following rates and charges are prescribed for the customers in the area served by Salt River Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

#### SCHEDULE A-5 FARM AND HOME SERVICE\*

##### Type of Service:

Single phase, 60 cycles, at available secondary voltage.

##### Rates:

First	40 KWH Per Month (minimum bill)	\$ 6.21	Per Month
Next	60 KWH Per Month	.07483	Per KWH
Next	100 KWH Per Month	.06203	Per KWH
Next	800 KWH Per Month	.05923	Per KWH
Next	1,000 KWH Per Month	.05623	Per KWH
Over	2,000 KWH Per Month	.05223	Per KWH

##### Minimum Charge:

The minimum monthly charge under the above rate shall be \$ 6.21 where 25 KVA or less transformer capacity is required. For members requiring more than 25 KVA transformer capacity, the minimum monthly charge shall be increased at the rate of .75 of each additional KVA or fraction thereof required. Payment of the minimum charge shall entitle the member in all cases to the use of the number of kilowatt hours, corresponding to the minimum charge in accordance with the foregoing rate.

SCHEDULE B-2  
COMMERCIAL AND SMALL POWER SERVICE\*

Rates:

First	40 KWH Per Month (minimum bill)	\$6.52	Per Month
Next	60 KWH Per Month	.11188	Per KWH
Next	200 KWH Per Month	.08858	Per KWH
Next	700 KWH Per Month	.07138	Per KWH
Over	1,000 KWH Per Month	.06338	Per KWH

Minimum Charge:

The minimum monthly charge under the above rate shall be \$ 6.52 where 37.5 KVA or less of transformer capacity is required. For consumers requiring more than 37.5 KVA of transformer capacity the minimum monthly charge shall be increased at the rate of .75 for additional KVA or fraction thereof required. When the minimum charge is increased in accordance with the terms of this section, additional energy shall be included in accordance with the foregoing rate.

SCHEDULE LLP-1  
LARGE POWER SERVICE (Over 37.5 - Under 500 KW)\*

Rates:

- \$ 5.58 per month per KW of Billing Demand plus Energy Charges of:
- \$ .05593 per KWH for the first 50 KWH used per month per KW of billing demand.
- \$ .04793 per KWH for the next 50 KWH used per month per KW of billing demand.
- \$ .04573 per KWH for all remaining KWH used per month.

SCHEDULE LLP-2  
LARGE POWER 500 KW UNDER 3,000 KW\*  
(Secondary Voltage)

Rates:

Demand Charge

\$ 5.58 Per Month per KW of Billing Demand

Energy Charge

First	20,000 KWH Per Month	.05670	Per KWH
Next	20,000 KWH Per Month	.04390	Per KWH
Over	40,000 KWH Per Month	.03960	Per KWH

SCHEDULE OL  
OUTDOOR LIGHTING SERVICE\*

Rate Per Fixture:

Mercury	100	to	200	Watts	\$5.94	Per Month
Mercury	200	to	450	Watts	9.62	Per Month
Mercury	450	to	1200	Watts	16.37	Per Month

SCHEDULE OL-1  
STREET LIGHTING SERVICE\*

Rates:

First	40 KWH Per Month (minimum bill)	\$6.98	Per Month
Next	60 KWH Per Month	.09555	Per KWH
Next	100 KWH Per Month	.07415	Per KWH
Next	300 KWH Per Month	.05985	Per KWH
Over	500 KWH Per Month	.04825	Per KWH

SCHEDULE LLP-3  
LARGE POWER 500 KW - 3,000 KW\*  
(Primary Voltage)

Rates:

Demand Charge

\$ 5.58 Per Month per KW of Billing Demand

Energy Charge

First	20,000 KWH Per Month	\$.06300	Per KWH
Next	20,000 KWH Per Month	.04930	Per KWH
Over	40,000 KWH Per Month	.04500	Per KWH

SCHEDULE LPR-1  
LARGE POWER 3,000 KW AND OVER\*

Rates:

Demand Charge

\$ 8.23 Per Month per KW of Billing Demand

Energy Charge

First	100,000 KWH Per Month	\$.05165	Per KWH
Next	900,000 KWH Per Month	.03665	Per KWH
Over	1,000,000 KWH Per Month	.03185	Per KWH

\*Fuel Adjustment Clause

The above rate may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses.

# MONTHLY FUEL ADJUSTMENT CLAUSE (FAC) Report

Appendix B  
Page 1 of 3

COMPANY: \_\_\_\_\_

POWER SUPPLIER: \_\_\_\_\_

Disposition of Energy (KWH) - Month of: \_\_\_\_\_

Purchased Power -

Month of: \_\_\_\_\_

1. Total Purchases	_____	13. Fuel Adjustment Charge (Credit):	_____
2. Sales (Ultimate Consumer)	_____	A. Billed by supplier	_____
3. Company Use	_____	B. (Over) Under Recovery (L12)	_____
4. Total Sales (L2 + L3)	_____	C. Unrecoverable - Schedule 2	_____
5. Line Loss & Unaccounted for (L1 less L4)	_____	D. Recoverable Fuel Cost (L13 A+B-C)	_____
	_____	14. Number of KWH Purchased	_____
	_____	15. Supplier's FAC:	_____
	_____	\$ per KWH (L13A + L4)	_____
(Over) or Under Recovery - Month of: _____		Line Loss	_____
6. Last FAC Rate Billed Consumers	_____	16. Last 12 Months Actual (Z) -	_____
7. Gross KWH Billed at the Rate on L6	_____	17. Last Month Used to Compute L16	_____
8. Adjustments to Billing (KWH)	_____	18. Line Loss for Month on L17 (Z) (L5 + L1)	_____
9. Net KWH Billed at the Rate on L6 (L7 + L8)	_____	Calculation of FAC Billed Consumers	_____
0. Fuel Charge (Credit) Used to Compute L6	_____	19. Sales as a Percent of Purchases (100% less percentage on L16)	_____
1. FAC Revenue (Refund) Resulting from L6 (net of billing adj.)	_____	20. Recovery Rate \$ per KWH (L13D + L14)	_____
2. Total (Over) or Under Recovery (L10 less L11)	_____	21. FAC \$ per KWH (L20 + L19)	_____
	_____	22. FAC \$ per KWH (L21 x 100)	_____

Line 22 reflects a Fuel Adjustment Charge (Credit) of \_\_\_\_\_ \$ per KWH to be applied to bills rendered on and after \_\_\_\_\_, 19\_\_\_\_.

Issued by: \_\_\_\_\_

\_\_\_\_\_ 19\_\_\_\_, Issued on: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_



SCHEDULE 1  
TWELVE MONTH ACTUAL LINE LOSS  
FOR FUEL ADJUSTMENT CHARGE COMPUTATION  
FOR \_\_\_\_\_, 198\_\_

	(a) <u>KWH PURCHASED</u>	(b) <u>KWH SOLD</u>	(c) <u>OFFICE USE</u>	(d) <u>KWH LOSSES</u>
Previous twelve months total -				
Less: Prior year-current month total -				
Plus: Current year-current month total -				
Most Recent Twelve Month Total -				

(d) \_\_\_\_\_ ÷ (a) \_\_\_\_\_ = \_\_\_\_\_ Enter on line 16 of the current month's  
(FAC) Report

SCHEDULE 2  
CALCULATION OF UNRECOVERABLE FUEL COST  
DUE TO EXCESSIVE LINE LOSS  
FOR THE MONTH ENDED

1. Purchases For the Month (KWH) \_\_\_\_\_
2. Less Line Loss (10% x L1) \_\_\_\_\_
3. Sales (L1 less L2) \_\_\_\_\_
4. Unrecoverable Fuel Charge Per KWH:
  - a. FAC Rate based on Actual Line Loss  
(Current Month's Report L15 ÷ (100% Less L16) \$ \_\_\_\_\_
  - b. FAC Rate based on 10% Line Loss  
(Current Month's Report L15 ÷ 90%) \_\_\_\_\_
  - c. Increment unrecoverable \$ \_\_\_\_\_
5. Unrecoverable Fuel Cost - (L4c x L3 enter on Line  
13c of current month's FAC report) \$ \_\_\_\_\_

Note: This schedule is to be filed for each month that the 12 month actual Line Loss exceeds 10% and the amount billed by the supplier is a charge. This schedule is not to be filed if the amount billed by the supplier is a credit.